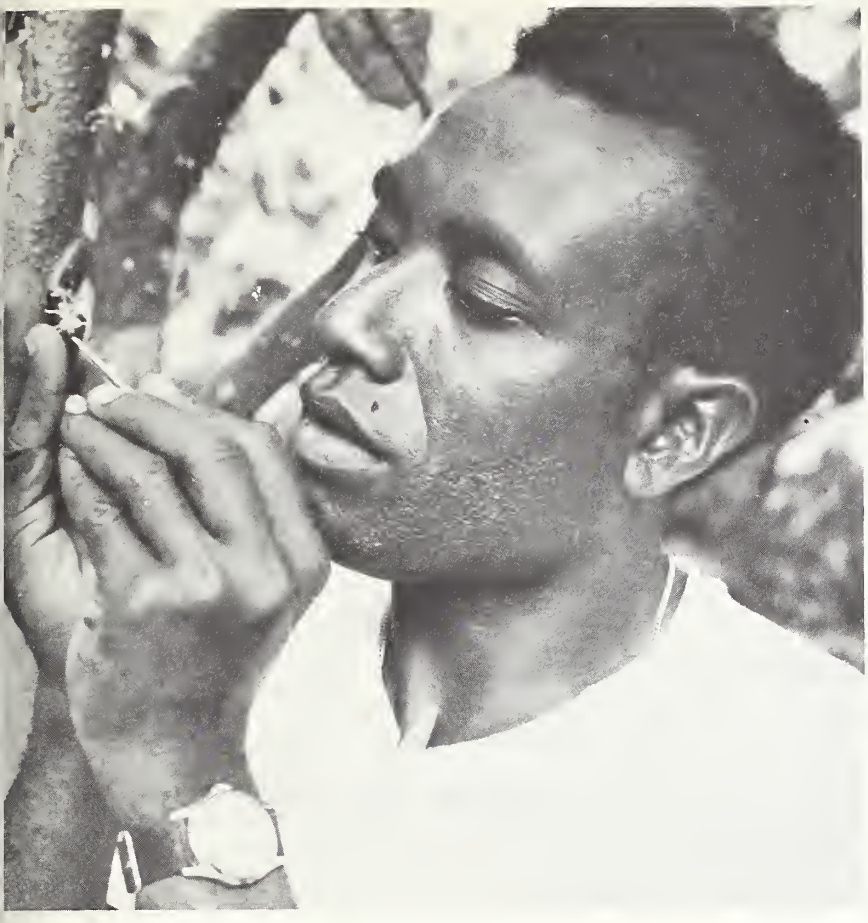

JANUARY 10, 1966

THE 1966 WORLD AGRICULTURAL SITUATION

NEW CROPS IN DEVELOPING NATIONS

1966 TRADE FAIR PROGRAM

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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Our cover this week depicts cross-pollination of cacao—a new earner of foreign exchange in New Guinea. For the story of how this and other nations have diversified their production of cash crops, see page 5.

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The Outlook for
The 1966 WORLD AGRICULTURAL SITUATION

World agricultural trade, along with total agricultural production, continues to inch upward, following the general trend of the past decade. Year-end trade totals for 1965-66 will probably indicate increases for wheat, feed grains, coffee, and oilseeds and decreases for dairy products, tobacco, and pork.

The index of total world agricultural output in 1965 rose about 2 points from that of 1964, reaching a level about 15 percent higher than in the base period 1957-59. But output per person, which reflects population growth, went down a point, returning to the 1957-59 level.

Wheat output up, rice steady

Wheat production in 1965-66 is forecast at 9 billion bushels, second only to the 9.3 billion bushels of 1964-65.

North America's production of 2.1 billion bushels was the largest of record; all three major producers (Canada, the United States, and Mexico) expanded their production, though Canada's outturn of spring wheat was reduced by unfavorable weather at harvesttime.

Western Europe's wheat harvest, estimated at 3 percent over 1964, would have been higher except for weather losses. Wheat production in the USSR is estimated at 15 to 20 percent below that of 1964. Outturn of winter wheat was above average, but the spring crop was probably little better than the poor one of 1963, with weather once again responsible. The crop in Asia, despite a 10-percent slump in Mainland China, showed a moderate increase, and production in the Middle East rose 8 percent.

In the Southern Hemisphere, early prospects point to a smaller outturn than the exceptionally large one of 1964-65. Both major producers—Australia and Argentina—are expecting much smaller crops, primarily because of droughts that reduced planted acreage and lowered yields.

World trade in wheat and flour is expected to increase in 1965-66, approaching the record level of 2.1 billion bushels set in 1963-64. This expansion results primarily from Soviet purchases of more than 9.8 million metric tons, plus continued large imports by Mainland China.

The 1965 rough *rice* crop (most of it already harvested) is estimated at about the same level as the 253 million metric tons of the previous year. Biggest drop was in India, where the current harvest of paddy looks about 4 million tons smaller than that of a year ago. But Communist Asia had a better crop than for several years, and the United States and the United Arab Republic, record crops.

World demand for rice will continue strong in 1966. But despite good crops in most exporting countries, export availabilities may not reach the volume of 1965. Total exportable supplies are diminished by South Vietnam's war-induced change from a net exporter to a net importer.

Feed grains hit alltime high

World production of feed grains (corn, barley, and oats, plus production of sorghum and millet in some countries) is estimated at 378 million tons for 1965, 4 percent larger than the 1964 total and a new record. Largely because of record crops in the United States, both corn and sorghum hit new world highs. The harvest of oats was up 5 percent, though far from a record; the harvest of barley, down 4.

World trade in feed grains is likely to continue its upward trend during 1965-66. Increased economic growth in many areas of the world has been accompanied by bigger demand for livestock products, but major importing countries cannot increase feed grain production fast enough to provide the feed required. The principal markets will continue to include most West European countries and Japan. Also, Eastern Europe is showing increased import interest.

The United States is again expected to supply at least half, or perhaps more, of the world trade in feed grains during 1965-66. Other major suppliers will be Argentina for corn and grain sorghum; Thailand for corn; and Canada and France for barley.

Vegetable oil output another record

World production of vegetable oils in 1966 is forecast at an alltime high of 20.9 million tons, only fractionally larger than the 1965 record but almost one-third above the 1955-59 average. Major share of the increase will be in edible oils, which account for the larger part of the total. The United States—leading producer of vegetable oils—is expected to account for a fourth of total output.

The gain in edible oil production is expected to result largely from the record U.S. soybean harvest of 1965 and an increase in Mediterranean Basin olive oil production from 1965-crop olives. These increases, however, will be partly offset by declines in peanut, sunflower, and rapeseed oils.

Production of industrial oils in 1966 is expected to be slightly larger than in 1965 in response to the 1965 world flaxseed harvest—largest in 9 years—which will boost linseed oil output. Tung oil output will decline rather sharply, owing to reduced nut production in 1965.

World exports of vegetable oils in 1966 (including oil equivalent of oilseeds) are expected to increase somewhat beyond the record 6.9 million tons of 1965; and the United States, as in recent years, is expected to account for a third of total exports and most of the gain.

Livestock products mostly up

World *cattle* and *buffalo* numbers were at record heights at the beginning of 1965; but foot-and-mouth disease in European Russia and drought in Australia may reduce the 1966 total. With Western Europe and Argentina continuing to build back cattle numbers, world *beef* output for 1965 remained at about the 1964 level; for 1966 it is expected to be the same or slightly above.

World beef trade in 1965 continued the patterns first evidenced in 1964: Australia and New Zealand found Western Europe a more attractive market than the United States, as did Ireland. Argentina's exports improved but little after the sharp decline of 1964, and Australia's will be lower in 1966 as the result of drought.

World *hog* numbers in early 1965 were 6 percent above the previous year's, reversing the 1964 decline. During 1966, the usual hog cycles are expected to lead to an in-

crease in numbers in the United States and a decline in Western Europe.

Pork production in 1965 rose about 2 percent, with major increases in Western Europe and the USSR and a sharp drop in the United States. Little change is anticipated in 1966.

World pork trade decreased somewhat in 1965 as the European importing countries boosted output.

Sheep numbers in 1965, at 986 million head, were virtually unchanged; but 1965's drought conditions in Australia, Uruguay, and the Republic of South Africa are expected to cause reductions in 1966.

Mutton production in 1965 was down from 1964 levels owing to the Australian drought; and trade in lamb and mutton was at about the same levels as in 1964—slightly larger than in 1963.

World trade in *tallow and greases* in 1965 was slightly under the record of 1964. Exports from the United States, which account for most of the trade, were about 15 percent below those of the previous year; but they are expected to continue very large, for the production trend is still up.

A pronounced shift in the world's *lard* trade saw U.S. production and exports drop sharply, while those of Western Europe rose. No radical return shift is likely before late 1966 when European supplies level off or decline and output in the United States recovers.

Dairy production gains

As world cow numbers ceased to decline, the 1965 *milk* output increased to near-record levels. Production gains were largest in EEC countries, and further advances are in prospect there for 1966. Australia's drought, however, cut 1965 production.

Output of the principal manufactured dairy products, particularly *butter* and *nonfat dry milk,* showed a substantial increase in 1965 in all major dairy countries except the United States and Australia. World trade in *butter* was down from the record level of a year earlier, reflecting generally larger and more evenly distributed world supplies; and this trade is expected to decline further in 1966 as output continues to exceed total commercial demand.

Trade in *nonfat dry milk* was also reduced in 1965 because of substantially larger output in all major producing and importing countries. World trade in milk products is likely to fall further in 1966. Since price levels in Western Europe are expected to remain relatively high, milk production will probably rise further and import requirements therefore will tend to decrease.

Poultry trend still rising

Continuing a trend that began several years ago, world production of *poultry* increased again in 1965, and international trade in poultry meat reached a record level.

Broiler production in Western Europe gained sharply as supplies of red meat remained inadequate and prices high. With the EEC market still insulated from outside competition by high import charges, output in the EEC countries continued upward.

Nonetheless, world imports of chicken meat reached a record in 1965. The eight major world markets (West Germany, Switzerland, the United Kingdom, Austria, Hong Kong, Japan, Greece, and Canada) imported over 600 million pounds, and West Germany accounted for about 75 percent of total trade. Leading exporters remained the United States, the Netherlands, and Denmark, but only the Dutch exports continued their upward trend. World trade in poultry meat is expected to remain high in 1966.

Production of sugar, beverages high

In 1965-66, world *sugar* production may exceed consumption by about 5 million short tons. Much of the increase is due to expanded production in developing countries and to a more normal output in Cuba. This increase was in response to favorable prices during 1963 and 1964, when world output was lagging behind consumption. However, large supplies pushed 1965 prices to their lowest point since the end of World War II. Production is expected to continue high in 1966 and prices low.

Coffee output during 1965-66 is expected to be the largest since 1959-60—about 51 percent above last year. World exportable production, estimated at 63 million bags, is well above world import requirements. Brazil and Colombia will add considerable quantities to their already large supplies, and stocks are also beginning to accumulate in some of Africa's larger producing countries. Yet, despite these larger supplies, prices have remained relatively firm, largely owing to the stabilizing effect of the International Coffee Agreement.

The 1965-66 world *cocoa* bean crop, estimated at 1.42 million metric tons, is the second largest on record—60 percent above the 1955-56/1959-60 level. This phenomenal rise in world cocoa output is due almost entirely to higher production levels in the African countries.

World cocoa exports during 1965 may have reached record levels, for lower prices stimulated increased consumption. But the sharp fall in prices led many producers to discontinue new plantings and reduce pest control measures—actions that may have an impact beyond 1965-66.

The world's *tea* crop was a record 1.1 million metric tons, and a similar large harvest can probably be expected in 1966. But rising consumption has kept the tea economy in balance. World exports in 1965 may have been up slightly, after a sharp decline in 1964 from the record that they had set during the previous year.

Tobacco harvest down, cotton a record

Tobacco production in 1965 was about 4 percent below the previous year's record as output of both flue-cured and oriental declined. Free World exports too were down in 1965 from the 1964 record. However, with a reduction in Rhodesia's 1965 production of flue-cured and the improved quality of the U.S. crop, U.S. exports of flue-cured may show a moderate increase. The U.S. share of total exports from the Free World and Cuba in 1965 was probably about the same as in 1964—27 percent.

With output abroad continuing to expand, the world *cotton* supply in 1965-66 is estimated at a record high of nearly 80 million bales (480 lb. net weight). Production and consumption will both set new records again this season, but consumption lags behind for the fourth consecutive year.

World trade in cotton is currently forecast at 17.3 million bales—up slightly from 1964-65. This increase is attributed to a continued high level of consumption plus the reduction of stocks to minimum levels in many of the world's cotton-importing countries.

These highlights were drawn from *The World Agricultural Situation: Review of 1965 and Outlook for 1966* (FAER No. 28). This report may be obtained from the Division of Information, OMS, USDA, Washington, D. C. 20250.

New Crops Help Exchange Earnings of Developing Nations

In the past decade or two, the agricultural economies of developing nations traditionally dependent upon a few cash crops, such as coffee and cocoa, have made considerable progress toward diversification. Weary of the ruinous effects of a poor crop year or a drop in world prices, many farmers in these nations—often with strong government backing—have broadened their varieties of commercial crops.

Perhaps the most striking example is the spectacular growth Kenya's output and exports of tea have experienced in the past 10 years, putting tea in second place among the country's export crops. Although production on large estates has been increasing steadily, small farmers are likely to capture more of the spotlight in the future as the government encourages them to grow tea in the face of a slow world market for coffee and cocoa. Production in 1965 is expected to approximate the record 1964 crop of 44.6 million pounds, whereas in 1955 only 19 million pounds were harvested. At 36.4 million pounds, exports in 1964 were also at a record level.

The Ivory Coast, a major coffee and cocoa producer, has been exporting increasing quantities of bananas since the mid-1950's when the payo robusta strain was introduced into the country. This strain is less fragile than the variety grown earlier and is also resistant to Panama disease. In 1963, the Ivory Coast became mainland Africa's largest exporter of bananas, shipping 133,406 metric tons compared with 27,000 in 1955. Exports in 1964 fell slightly to 130,000 tons. Although France has been the largest market by far, Italy is providing a new outlet of some importance.

Also making headway among Ivory Coast exports are fresh and canned pineapples. Shipments of fresh pineapples—limited mainly to luxury markets in France—jumped from 1,000 metric tons in 1958 to 4,210 tons in 1964. Between 1958 and 1963, exports of canned pineapple went from 2,200 to 7,826 metric tons. A former French colony, Ivory Coast supplies more than half of France's canned pineapple imports and could expand exports to include other Common Market countries.

Nigeria, Guatemala look to rubber

Nigeria—whose primary exports are peanuts, cocoa, and palm products—is earning increasing amounts of foreign exchange with rubber. Through government and private efforts, it surpassed Liberia in the late 1950's as Africa's leading producer. Programs to expand acreage, raise yields per acre, and improve the quality of the rubber crop continue, and output of 82,000 long tons in 1964 was up 9,000 tons from 1963 production. Exports—at 72,049 tons—were up about 14 percent over the previous year, with the United Kingdom and the United States top markets.

Production of natural rubber has also been getting wide attention in Guatemala, where declines in coffee prices and banana exports stimulated an effort to diversify crops and save foreign exchange. During 1959-65, over 21,500 acres were planted to rubber, bringing total acreage to 25,000. Plantings will eventually cover 80,000 acres capable of producing 48,000 tons of crude rubber annually. The

Above, worker on a New Guinea cocoa plantation spread beans to dry; right, careful sorting of coffee beans helps maintain the high quality of New Guinea's coffee exports.

initial goal is to reduce crude-rubber imports—valued at about $4 million annually. Guatemala should be self-sufficient in rubber by 1968, and begin to export, especially to the Central American Common Market, may be expected.

Traditionally dependent upon copra for its foreign exchange, New Guinea has seen phenomenal growth in its coffee and cocoa industries in the past 20 years. Extensive development of coffee production has occurred since 1946 in the Eastern and Western Highlands at altitudes of about 5,000 feet. Exports, which in that year amounted to 30 tons, were up to 6,700 tons in 1963-64. Of high quality, the coffee enters Australia under favorable conditions, and some has been coming to the United States.

Production of cocoa in New Guinea expanded rapidly in the mid-1950's when the government encouraged nationals to grow more cash crops. Exports—at less than 1,000 tons in 1954—soared to nearly 17,000 10 years later and accounted for one-fifth of the country's foreign-exchange earnings. New Guinea now ranks eleventh in world cocoa production and exports to Australia, the United Kingdom, the European Economic Community, and the United States.

Abaca, spices rank among newcomers

A newcomer to Mexico's cash economy is abaca, a strong cordage fiber used mostly in marine and other high-quality ropes. Introduced by the U.S. Reconstruction Finance Corporation in 1950, abaca covered about 520 acres in 1960 and an estimated 2,000 acres in 1965. The 1965 harvest is estimated at 1,400 tons, compared with 950 tons a year earlier. Grown chiefly as an export crop, most of Mexico's abaca is shipped to the United States, which imported 300 metric tons at a value of $100,203 in 1964.

In Uganda, where coffee and cotton dominate the cash economy, experiments with new crops include intensified vanilla production. Introduced in the 1930's, cultivation of vanilla has received increasing attention since 1960. The 1964 crop was 11,000 pounds, and a crop of 67,000 pounds is estimated for 1965. Exports—which are expected to increase sharply in the next few years—go mainly to the United Kingdom and the United States.

Brazil is also making headway with a relatively new spice crop—black pepper. At 1.9 million pounds in 1964, pepper production rose steadily to over 13 million pounds 10 years later, making Brazil the world's fourth largest producer. Exports began in 1956 with about 100,000 pounds and reached 8.9 million pounds valued at $3 million in 1964. In 1964, Brazil was the second largest source of U.S. pepper imports, shipping 5.2 million pounds.

On the other side of the South American continent, the highlands of Ecuador are rapidly becoming dotted with small white flowers that represented $1.5 million in foreign exchange earnings in 1964. These pyrethrum flowers are the basic ingredient of many insecticides, and world demand is beginning to get larger than the supply. With a 1965 crop estimated at 2,800 tons, Ecuador is expected to end the year as the world's second largest producer. Its chief market for pyrethrum extract is the United States, while the United Kingdom and Argentina buy large quantities of pyrethrum flowers. (For the full story on Ecuador's pyrethrum, see *Foreign Agriculture*, July 12, 1965.)

Above and left, U.S. economist Snider W. Skinner inspects pineapples and bananas in the Ivory Coast. Below, abaca stalks await decortication in Mexico.

During the tapping season, on this Guatemalan rubber plantation, one man can handle 400 trees daily. Research on high-yielding, disease-resistant plants was begun by USDA in 1941 and is now under the USAID program.

Below, U.S. Ambassador Elbert G. Mathews visits one of Nigeria's two large rubber factories. Each consumed 2,500 tons in 1964, and expect to use 3,000 this year.

Above, tea is hand-picked in Kenya, where the Tea Development Authority is helping 22,000 small farmers plant 12,000 acres; right, vanilla beans are sorted in Uganda before being placed in tins for shipment to markets abroad.

Jamaica To Remain a Growing Market for U.S. Beans and Peas

U.S. bean and pea exports to Jamaica should continue at high levels throughout 1966 because of last year's drought, which resulted in poor domestic production. Also, since local production appears to be stagnant, there is a strong possibility that Jamaica will need to import increasingly larger amounts of pulses annually to satisfy the steadily growing demand.

While 1965 Jamaican pulse production is known to be down, there are no estimates available. The latest estimates are for calendar year 1963 when the pulse output was estimated at 94,864 bags. This included 80,640 bags of pigeon peas, 8,960 bags of red kidney beans, 3,808 bags of black eye beans and 1,450 bags of broad beans. No acreage estimates were obtainable.

Pulse imports for 1965, not yet fully recorded, are expected to reach 112,000 bags. This compares with 91,834 bags in 1964, and 66,420 bags in 1963. While information is not available according to kinds of pulses imported, it is available by country of origin for the calendar year 1963 as follows:

Country	*100 lb. bags*
USA	[1]28,666
Chile	15,288
Canada	6,660
Portugal	6,432
Peru	2,395
Australia	4,378
Rhodesia & Nyasaland	2,390
Hong Kong	206
UK	5
Spanish Morocco	1
Total	66,420

[1] 43.1 percent of the total and mainly red kidney beans.

U.S. pulse exports to Jamaica have increased rapidly in recent years. Dry peas increased 124 percent from the 1955-59 average to the marketing year 1964-65, and beans multiplied manifold. Following are the data:

Year	Peas			Beans			
	Green	Yellow	Total	Red kidney	Other colored	Other	Total
	100 lb. bags	*100 lb. bags*	*100 lb. bags*	*100 lb. bags*	*100 lb. bags*	*100 lb. bags*	*100 lb. bags*
1955-59	66	573	639	331	22	---	353
1960-61	176	2,205	2,381	8,289	220	243	8,752
1961-62	507	1,389	1,896	3,792	88	44	3,924
1962-63	22	639	661	15,190	286	66	15,542
1963-64	110	970	1,080	27,028	265	1,411	28,704
1964-65	331	1,102	1,433	51,632	1,455	1,874	54,961

While Jamaica's main pulse crop is pigeon peas, there are no fields as such. Rather, the plants are scattered all over the landscape. Red kidney beans are generally grown on land following the potato crop in order to profit from residues of the fertilizers applied to the potatoes.

Pulses are not grown with enthusiasm in Jamaica. While the Agricultural Production Board would like to see more pulses grown, there is no organized production drive underway. Actually, it has been a neglected crop, in that very little research effort has been expended, and a need exists for the development of higher yielding, more resistant and better adapted varieties. Beyond this, prices and the marketing system do not serve to encourage growers. Production is expected to continue at about the present levels of 95,000 to 100,000 bags a year. —ORVAL E. GOODSELL

Grain and Feed Division, FAS

Notes on Canada's Wheat Trade and Production

Strong world demand for wheat in the past 4 months has drained off Canadian exportable supplies of this commodity at a pace never before equaled and is expected to serve as an incentive for record or near-record plantings in 1966. Observations on these and other aspects of the country's wheat situation are given below by *John C. McDonald, Assistant U.S. Agricultural Attaché, Ottawa.*

Wheat movement speeds up

Exports of Canadian wheat to overseas markets during the first 4 months of the current crop year (August-July) were 70 million bushels ahead of shipments in the same period of 1964-65 and 27 million above the level for August-November 1963-64, when both wheat production and exports hit records. In all, 229 million bushels of wheat cleared Canadian ports for export during the first 4 months of 1965-66 compared with 158 million and 202 million, respectively, for the 2 preceding years.

Most active month thus far has been October, when wheat exports moved to 64.5 million bushels—a new high for that month—and together with wheat flour exports totaled 67.0 million. This boosted aggregate exports for the first 3 months of 1965-66 to 179.5 million bushels of wheat and wheat flour (wheat equivalent), or a record for the first quarter of any crop year.

The gains in overseas clearances and movement to terminal elevators indicated speedups in two areas that had for some weeks concerned officials wrestling with the problem of meeting a wheat and flour export target of 600 million bushels in 1965-66.

Nonetheless, a spokesman for the Vancouver Grain Exchange noted that November grain shipments from the principal west coast port fell short of a necessary minimum to meet commitments in the current season. Vancouver's estimated grain-shipping potential is 20 million bushels a month. The November total was 15.2 million bushels, about the same as in each of the preceding 2 months.

Most wheat grades No. 4

The Board of Grain Commissioners reports that the 1965 crop of Canadian Hard Red Spring wheat is expected to amount to 643.1 million bushels, compared with 544.4 million in 1964. And 41 percent of it will grade No. 3 Northern or better, according to a Board estimate based on study of 7,600 samples (about 1 percent No. 1 Northern, 13 percent No. 2, and 27 percent No. 3). The largest single percentage—37 percent—will grade No. 4 Northern, and about 22 percent will enter lower grades.

About 75 percent of the total crop was threshed dry. The highest percentage of tough and damp grain was threshed in Manitoba and the lowest in Alberta. Officials told the Alberta Wheat Pool that unfavorable harvest

weather lowered the test weight of grain by as much as 3 or 4 pounds per bushel and wrinkled the bran, but actual damage to milling quality was slight.

Farm supplies listed

The Canadian Wheat Board estimated that as of November 19 there were about 572 million bushels of deliverable wheat (including 26.5 million of durum) on Prairie farms. Of the 545.7 million bushels other than durum, the estimated percentage distribution by grades was as follows: No. 1 Northern 0.9; No. 2 Northern 15.3; No. 3 Northern 26.9; No. 4 Northern 34.3; No. 5 wheat 17.6; No. 6 wheat 2.7; feed wheat 0.6; others 1.7 percent.

Board estimates of other quantities of grains and oilseeds on Prairie farms were (in thousands of bushels): oats 88,669, barley 86,704, rye 11,573, flaxseed 14,735, rapeseed 12,122.

Acreage expansion likely

Speculation continues to widen that in view of sizable forward sales, long-term trade agreements, and optimistic export targets, Canadian Prairie farmers are likely to increase their wheat plantings next year.

Provincial Agriculture Minister Douglas McFarlane told delegates to the annual convention of the Saskatchewan Wheat Pool that "large wheat sales to Russia and China during the last few years are an indicator of the pressure in the world markets on available grain supplies."

He continued: "China has given strong indications that it may become a regular customer. In addition to our traditional customers such as Japan, Europe, Great Britain, this will mean that we may have trouble producing enough grain to meet the demands in the years ahead."

Though there has been no official recommendation for larger plantings of wheat, Dr. Glenn Purnell, an economist of the Alberta Department of Agriculture, did predict at the annual Federal-Provincial Agricultural Outlook Conference that larger plantings of wheat could be expected on the Prairies in 1966. At the same conference, open encouragement was given to increasing acreage in other grains, with government officials pointing to a need for an additional million acres of oats in 1966 as well as to "the same or somewhat more acres of barley."

Wheat payment to decline

C. E. Gordon Earl, executive director of the Canadian Wheat Board, predicted on December 3 that the board's final payment to producers for the 1964-65 wheat crop would be "considerably less" than the record Can$272 million paid to close the books on the 1963-64 pool. He said he did not think it would be less than Can$200 million.

Mr. Earl told delegates to the Saskatchewan Farmers Union annual convention in Saskatoon that the 1965-66 crop year is shaping up to be a banner season that may challenge many of the records established in "that once-in-a-lifetime year" of 1963-64.

West Germany Becomes a Butter Exporter

For the first time in this century, Western Germany—traditionally one of the principal West European butter importers—has a favorable balance of trade in butter.

In the first 9 months of 1965 Germany's net butter exports amounted to nearly 3 million pounds, compared with net imports of about 35 million pounds in the comparable period of 1964. Total imports for 1965 are expected to reach about 23 million pounds, compared with 41 million in 1964, 54 million in 1963, and 81 million in 1962. Exports will very likely rise to 26 million pounds, compared with only about 5 million pounds in 1964 and practically none in earlier years.

This development stems largely from increased milk production, which is being channeled into the manufacture of butter and nonfat dry milk, as well as from the failure of German consumption to keep pace with this rising production.

Exports are going mainly to Italy and France—two markets the Germans could not have entered prior to liberalization of intra-Community trade with the introduction of the EEC milk regulation in November 1964.

Italy's Textile Industry Recovering

The last half of 1965 saw the Italian cotton textile industry picking up somewhat from its depressed state in the 1964-65 season (August 1-July 31), when rising production costs forced mass layoffs and reduced working hours for much of the remaining labor force.

Mill stocks of raw cotton opened the 1964-65 season at their highest point in years and closed at their lowest. Imports—at 181,387 metric tons—were down about 25 percent from the previous season, but the U.S. share of the total, at 41 percent, was the highest since 1960-61. For 1965-66, imports are forecast to rise to 230,000 tons.

With mill consumption off more than 15 percent to 190,473 metric tons, production of cotton yarns and fabrics each declined 15 percent. However, exports of yarns, threads, and fabrics—just a small part of total production—rose about 12, 9, and 1 percent respectively. Mill consumption in 1965-66 is forecast at 220,000 tons.

Signs of recovery became evident in the third and fourth quarters of 1965. Domestic prices of cotton textile products began to firm and to show some increases. The cause of these price changes has not yet been pinpointed, but may have been partly because of the forecast that Christmas sales would be above 1964 level and partly because of the loss of production from the Valle Susa plants—largest cotton textile manufacturer in the country.

Government efforts to alleviate the textile recession have not been very effective to date. To modernize plants and help the merger and concentration of textile firms, the Italian Council of Ministers is considering a law to provide financing and credit ($80 million over a 2-year period). However, the law is looked upon by much of the trade as insufficient to do much good.

—Office of the U.S. Agricultural Attaché, Rome

New Report Issued on India's Cotton

Recently published is an on-the-spot study of India's cotton production and the raw cotton requirements of its large textile industry. Entitled *Cotton in India*, this publication (FAS M-170) may be obtained without charge by writing to the Foreign Agricultural Service, U.S. Department of Agriculture, Washington, D. C. 20250.

American firms invited to exhibit products in foreign markets worth $2 billion a year to U.S. farm exporters.

1966 Trade Fairs Aimed at Foreign Tradespeople

Principal target for U.S. exhibitors at the nine big European trade fairs and the special fair in Hong Kong in 1966 will be exporters and quantity food dealers rather than consumers. Three fairs are open only to the trade, and five—while open to all—will have "trade only" areas for importers and direct order buyers, including food chains, restaurants and hotels. Two shows are aimed almost entirely at livestock tradespeople.

FAS is working with major food trade organizations to prepare a direct mail canvass of the U.S. trade to go out within the next few weeks describing the 1966 Trade Fair program and soliciting participation. Exhibitor agreements will be sent to firms interested in any or all of the fairs. Again expected to participate in most fairs are several U.S. fish product firms, exhibiting in the USDA area through the cooperation of the Department of the Interior, Bureau of Commercial Fisheries.

FAS cooperates with Grocery Manufacturers of America in sponsoring all the food shows.

In **January** the International Hotel and Catering Exhibition will be held in London; in **March** the 68th International Agricultural and Livestock Fair in Verona; in **April** the 44th International Samples Fair in Milan, and the International Foodstuffs Exhibition (ROKA) in the Netherlands. In **May** the Northern 1966 Food Fair and 32d Grocery Exposition will be held in Manchester; in **June** the International Association of Food Distribution Exhibit (AIDA) in Copenhagen; in **September** the Hong Kong Processed Foods Special Promotion, the International Fall Fair in Vienna, and the International Exhibition of Groceries and Fine Foods (IKOFA) in Munich; and, last on the schedule, in **November** the Salon International de l'Alimentation (SIAL) in Paris.

Nine are typical of the great European fairs which, some for centuries, have filled a unique function in the Continent's trade life. All told, the countries where these nine fairs will be held import some $16 billion of agricultural products a year—an irresistible lodestone to continental tradespeople. The $2-billion U.S. share in the market should arouse similar interest in U.S. agricultural exporters.

The Hong Kong show will be a "trade only" exhibit to introduce U.S. processed foods to area wholesalers and importers. This show is part of a new FAS program to open or broaden markets in countries now buying some U.S. processed foods.

U.S. fair officials hope that the trade areas at the European fairs, already given a successful trial run at two 1965 fairs, will encourage more direct, efficient, and profitable contacts between European and U.S. businessmen.

Nearly half the available U.S. floor space at the fairs will be devoted to trade areas, with about 100 firms expected to participate in each.

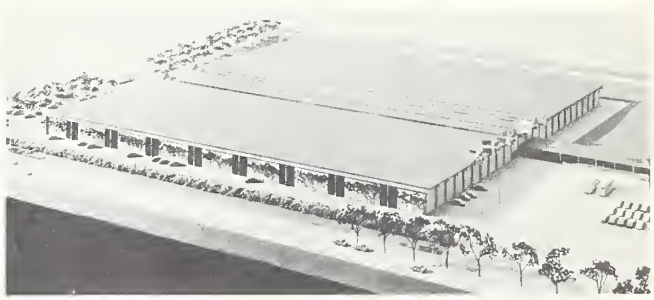
Exhibiting companies will be required to have at each trade area agents to show brand-name products and take direct orders. This individual firm representation will supplement the commodity-wide role of U.S. cooperator groups, many of which will also participate in the fairs.

Each European tradesman entering the area will be given a tag to identify him by name, type of business, and commodity interest, and then directed to related exhibits. He will be asked to complete brief questionnaires about his business and food purchasing needs. The printed trade list—the first of its kind to be treated in such depth—will be made available to interested U.S. and European tradesmen.

U.S. exhibitors will be asked to make confidential trade reports on business arising from contacts made at the fairs. This analysis should prove valuable to participant firms in helping evaluate their promotion, as well as establish and maintain trade channels for business in Europe.

International Hotel and Catering Exhibition, London. Jan. 18-27.

"Hotelympia," held biennially, draws hotel managers, caterers, and other tradespeople from the largest market in Europe for U.S. food products—the United Kingdom. At this, the second U.S. participation in the exhibition, a leading American chef will again show the availability, quality, and uses of U.S. products in a central demonstration kitchen. Displays will feature latest food processing



Clockwise from far left: European and U.S. tradesmen talk business at successful trial of trade area in 1965 Brussels Fair; crowds at U.S. food exhibit at Manchester Food Fair last year; Netherlands pavilion where ROKA is held; model of Bella-Centeret—Denmark's newest and largest exhibition center and site of the sixth AIDA.

and institutional packaging.

Another chef will demonstrate to restaurateurs the methods and economy of carefully controlled food apportionment in restaurant servings.

The 16th International Agricultural and Livestock Fair, Verona, Italy. March 13-21.

An annual spring event, the Verona Fair is the largest agricultural show in Italy, attracting 750,000 people in 1965. Intensive trade mailing promotion in Italy and Switzerland has preceded the fair.

The American exhibit in 1966—first time in a permanent pavilion—is scheduled to be the biggest livestock, feed grains, and feed supplement show for the United States this year in Italy. Tallow and soybean meal are feed supplements to be exhibited.

In conjunction with the U.S. cattle industry, FAS will show 15 head of U.S. Choice grade feeder cattle averaging 600 pounds per animal. Breeds to be shown are Hereford, Angus, and Braford, Angus-Hereford crosses, Charbray, and Brangus.

Also on display will be U.S. frozen poultry, particularly turkeys for the restaurant and hotel trade, which have been making inroads in Italy since supplies of beef and veal still remain relatively short. Rustic benches and tables in a Far Western motif will be background for a red meat and poultry barbecue.

44th International Samples Fair, Milan, Italy. April 14-25.

The U.S. exhibit at the International Samples Fair will feature a poultry barbecue with sampling, sponsored by the U.S. poultry industry's International Trade Development Board.

The National Renderers Association, in cooperation with Italy's three leading tallow importers, will sell small bars of soap. Some 80 percent of Italy's inedible tallow imports goes into soap.

The Samples Fair—which in 1965 attracted some 4 million visitors—is one of the biggest and oldest in Europe, held annually since 1920 except in the war years. Headquarters for the U.S. exhibit will be the 2-year-old U.S. Trade Center—only non-Italian, year-round Trade Center located on the Milan Fair Grounds.

International Food and Beverage Exhibition (ROKA), Utrecht. Apr. 25-29.

A new fair on the U.S. docket, ROKA will be open to the trade only with some 500 to 600 firms from 30 countries expected to take part—nearly 100 from the United States. Formerly held biennially in September, the fair in 1966 has been shifted for a more favorable position vis-a-vis Germany's ANUGA and IKOFA and U.K.'s Northern Food Fair.

ROKA primarily draws wholesalers and retailers in the grocery, meat, fish, vegetable and fruit, dairy, chocolate and confectionery, bakery, tobacco, and beverage branches as well as hotel and restaurant owners. There are 85,000 such firms and individuals in the Netherlands alone.

Northern 1966 Food Fair and 32d Grocery Exposition, Manchester. May 10-21.

Bellevue exhibition grounds will again be the setting for this international show which last year drew some 140,000 grocery operators and 44,000 other tradesmen. U.S. firms will display 10 commodities—demonstrated and sold to public and trade.

Basically a catering exhibit last year, the 1966 program will be geared to consumers and all quantity food buyers. The United States will have a separate trade area with central demonstration kitchen operated by Grocery Manufacturers of America. A restaurant with a seating capacity of nearly 200 will serve poultry and beef dishes as well as other U.S. foods, rice and cranberries among them.

Supplementing fair activities will be an intensive in-store promotion of U.S. food products in about 1,000 local shops and supermarkets. FAS will supply point-of-sale material.

6th International Association for the Distribution of Food Products (AIDA) Congress and Exhibition, Copenhagen. June 23-July 3.

Food distributors, retailers, wholesalers, trade organizations, chain store

executives, cooperative societies, and government representatives from the United States and 39 other countries are expected to participate in what will be the biggest international congress ever held in Denmark. At the exhibition held concurrently with the congress, displays of processing, technical distribution aids, shop and warehouse equipment, packaging, and transportation will trace food from producer to customer.

Every 3 years since 1950 AIDA has brought together specialists in every facet of the foodstuffs industry, working toward higher levels of consumer living and technical advancement in food production and distribution. Over 2,000 delegates participated in the Congress in New York in 1962, and some 3,000 are expected this year. Record attendance is also anticipated since several international foodstuffs organizations are transferring annual meetings and congresses to Copenhagen in connection with AIDA.

The Congress will be held in "Falkoncenteret," Copenhagen's newest, most modern congress building, and the exhibition in Bella-Centeret, the city's new $2.9-million exhibition center. Completed this October, Bella-Centeret's two exhibition halls have 3,000 square yards of floor space.

The buildings are joined by a central foyer with restaurant, conference rooms, and the largest indoor garden in Europe. Exhibition space will be available to U.S. firms on lease.

Hong Kong Processed Foods Special Promotion, Hong Kong. Early Sept.

A mailing going to U.S. food tradesmen within the next few months will describe this "trade only" exhibit, first promotion of U.S. foods in one of the world's largest transshipment ports.

Trade between Hong Kong and this country is brisk. Hong Kong is the third largest U.S. dollar market for farm products in the Far East, and the United States is one of Hong Kong's best customers. U.S. tourists spend annually about $29 million there. Despite this, imports of U.S. processed foods have been somewhat limited. To determine the market's potential, FAS conducted extensive research in Hong Kong last summer. The favorable response of consumers and tradespeople to questionnaires about product preference for a number of U.S. export commodities indicated the Hong Kong market was ripe for promotion.

(Continued on page 16)

U.K. Lard Group and FAS To Promote Quality Image of U.S. Lard With British Consumers

Promotion of U.S. lard in the United Kingdom, far and away its major market, moves into a new phase soon with the inauguration of a nationwide program to promote a select top-grade portion of U.S. lard exports to Britain as American lard, in order to build and capitalize on a national image.

Sponsored jointly by FAS and the U.K. Lard Association, the new program will be aimed primarily at the consumer whose traditional loyalty to lard as a cooking fat is wavering under the impact of determined promotional efforts by other cooking fats and loss of its quality image because of cheaper lard from the Continent.

Recently phased out was a promotional program for U.S. lard begun in 1962 by the National Livestock and Meat Board and FAS which helped build Britain into this country's top market following the loss of Cuba as No. 1 buyer.

In 1964, Great Britain bought 93 percent of its lard from the United States. Record shipments of 548 million pounds were a 27½-percent increase over 1963 sales and represented virtually all the lard shipped from the United States that year. Accounting for much of the increase were oil shortages and resultant high costs which prompted manufacturers of margarine and compound cooking fats to substitute lard.

In 1965, however, the United Kingdom cut back its lard imports by 22 percent—almost all of the cut in American lard—because of higher U.S. prices, increased competition from cheap continental lard, and aggressive promotion by cooking oils. Supplies and prices of oils became more attractive at the same time reduced pork production in the United States raised the cost of American lard.

Some British manufacturers switched from lard to oil where profit margins were higher and, more importantly, many U.K. consumers began buying cheaper lard from Europe.

The U.K. Lard Association would like to see a larger share of U.S. exports going to consumers rather than into commercial uses, as producing a more stable market. Consumers are not only the largest single outlet for lard sales, but the area within which there is most capacity for price improvement and market expansion.

A comparison between lard consumption in 1963 and 1964 shows 30,000 more tons of lard going into margarine and compound cooking fats in 1964 than in the previous year. This accounted for just over 57 percent of the total increase in U.K. lard imports in 1964. Commercial bakeries and other commercial users took 40,000 tons in 1963 and 56,000 tons in 1964.

Now despite the fact that lard is still cheap, even at the 1965 level, retail demand for lard in Great Britain is declining. Older people—brought up using lard — are its principal buyers, and unless the younger and richer customers are attracted the decline in lard retail sales is likely to continue. This more affluent group is being wooed away from lard by heavy promotion expenditure on the part of its competitors cooking oil and, to a smaller degree, butter.

Of major concern to the British lard industry is the influx of lower grade, lower priced continental lard. It feels the continuing sale of this lard will depreciate price margins — already extremely low—and, more importantly, destroy the public reputation of lard as a high-quality cooking fat.

To establish a more favorable image for lard in general, American lard in particular, the U.K. Lard Association will stress quality in its new promotional program. American lard will be promoted as a national image on the basis of maintained high standards and guaranteed quality. A Code of Practice will insure that only top grades of U.S. lard—a branded premium cooking fat using "America" as a hallmark for guarantee — are offered to the public.

An important aspect of the new program is that the cooperative efforts of exporters, processors, and packers would show British trade buyers and distributors the advantages of American lard as a quality-controlled product in thoroughly dependable supply backed up by adequate promotional support from a progressive and well-coordinated industry.

Argentine Wheat Crop Down; Exports Restricted

The much reduced 1965 wheat crop is estimated by official Argentine sources at 5.7 million metric tons, compared with 10.1 million produced in 1964. Based on this estimate, the Argentine Wheat Board forecasts the exportable surplus of new-crop wheat at 2 million tons, which includes 400,000 tons of durum.

Trade sources report a possible wheat outturn of up to 6.5 million tons, but heavy rainfall during the harvest period has discouraged hopes for a crop materially higher than the official estimate.

Because orders for export sales exceeded the apparent surplus, a decree was issued December 17, 1965, to restrict sales of bread wheat by private exporters to 1.5 million tons. Further sales of rye were also banned. From the restricted amount of 1.5 million tons, 800,000 tons have been allocated to Brazil. This leaves about 500,000 tons for Western Europe and the remainder for other markets.

Ireland's Use of Mixed Feeds Triples

Use of mixed feeds for livestock feeding in Ireland was nearly three times higher in 1964 than 10 years earlier. Most of the growth was in hog and poultry rations, although there was also an increase in the use of mixed feeds for cattle feeding.

Production of mixed feeds is expected to continue upward in 1966 for a total of 840,000 long tons. Hog rations are forecast at 625,000 tons, poultry feed at 140,000, and cattle feed at 75,000.

Domestically produced feed grains cover about two-thirds of Ireland's annual requirements. The balance and nearly all of the protein supplements must be imported. The rapid production increase in the mixed feed industry is thus the main factor in higher feed grain imports.

IRELAND'S PRODUCTION OF MIXED FEEDS FOR LIVESTOCK

Year	Hogs	Poultry	Cattle	Total
	1,000 long tons	*1,000 long tons*	*1,000 long tons*	*1,000 long tons*
1955	169.4	37.4	22.9	231.9
1964	483.2	109.5	54.5	650.6
1965 [1]	600.0	125.0	65.0	790.0
1966 [2]	625.0	140.0	75.0	840.0

[1] Estimate. [2] Forecast.

Iran Attempts To Improve Date Industry

The Iranian Government is reportedly attempting to upgrade the quality of dates and also reduce the time required to deliver dates to the processing plants. The favorable results of a USAID aerial spray experiment have encouraged the government to promote a similar program on a larger scale and also to educate growers concerning more modern date farming methods.

Under the new program, the government will provide both the insecticide and the spray planes at a cost to the grower of approximately 5 U.S. cents per tree. Loans to assist grove owners will be made by the Agricultural Bank.

To improve marketing, the Iranian Government intends to send additional labor into palm groves to help sort dates and deliver them to fumigation centers. The plan also calls for the cessation of the practice of converting part of the date crop into syrup and thereby possibly for increasing export availabilities.

These programs will be concentrated in the Khorramshahr region and will lend support to the Khorramshar date packers and exporters who are trying to improve their product presentation and marketing techniques.

Smaller Spanish Raisin Pack

Spain's 1965-66 raisin pack is estimated at 11,000 short tons, or 1,700 tons below the previous year. Malaga raisin production may drop 1,100 tons from the 1964-65 level and total 6,600 tons, while Denia raisins are estimated to reach only 4,400 tons as opposed to 5,000 tons in 1964-65. Average (1959-63) Spanish production is 12,000 tons.

Exports are expected to reflect the smaller pack and total 4,700 tons—down 400 tons from a year earlier. During the 1964-65 season, Morocco, Algeria, the United Kingdom, and France were the major outlets.

Export prices, f.o.b. Spanish ports, for Denia raisins as of mid-December 1965 ranged between 13.6 and 18.1 U.S. cents per pound, compared with 15.9 for the previous year. During the same period in 1965, seeded Denia raisins were quoted between 22.7 and 24 cents per pound. Average prices in the 1964-65 season f.o.b. Valencia, expressed in U.S. cents per pound, were as follows: Extra Flor 16.3, Flor 15.0 - 15.9, Buena Selection 13.6, Grano 12.7, and Seeded 21.1.

SUPPLY AND DISTRIBUTION OF SPANISH RAISINS

Item	1964-65	1965-66
	Short tons	*Short tons*
Beginning stocks (Sept. 1)	1,300	2,200
Production	12,700	11,000
Total supply	14,000	13,200
Exports	5,100	4,700
Domestic disappearance	6,700	6,600
Ending stocks (Aug. 31)	2,200	1,900
Total distribution	14,000	13,200

Winter Vegetable Outlook for Mexico's West Coast

Growing conditions for vegetables on the West Coast of Mexico have generally been excellent this season. Rains in September and October caused a slight loss of seedlings but were for the most part beneficial.

The trend to pole or staked tomatoes continued this season, with an estimated increase of 4,000 acres of pole tomatoes and a decrease of almost 7,000 acres in ground tomatoes. Since pole tomato plants will produce 3 to 4 times as many marketable tomatoes as those unstaked, there should be an increase of about 10 percent in production. Often, because of market conditions, farmers do not harvest all of the tomatoes intended for the fresh market. Exports to the United States depend to a large extent on the market price level during the winter months.

The most popular varieties of pole tomatoes are Indian River and Manapal. Culiacan No. 1 is popular for

early planting, but yields are low. Homestead is the most important green variety.

There is a substantial increase in the acreage of watermelons, cucumbers, and squash and a slight increase in cantaloups. Most of the watermelons and cantaloups are planted after the first of the year and current estimates are more in the nature of intentions to plant.

Water for irrigation is adequate for the season.

VEGETABLE ACREAGE, WEST COAST OF MEXICO

Commodity	1963-64	1964-65	1965-66
	1,000 acres	*1,000 acres*	*1,000 acres*
Ground tomatoes	16.7	14.9	8.1
Pole tomatoes	12.9	16.1	20.0
Cherry tomatoes	NA	.8	NA
Bell peppers	6.6	4.2	4.1
Peas	2.9	2.1	1.4
Watermelons	3.2	4.0	8.2
Cantaloups	12.0	10.9	11.1
Cucumbers	2.8	3.8	6.4
Squash	.4	.4	.7

Carrot and Celery Prospects in Europe

Bad weather has affected supplies of carrots and celery throughout the Continent. Belgium's carrot supplies are moderate and prices are average. Frost damage in the Netherlands is difficult to estimate, but the carrot crop was adversely affected. Heavy rainfall has hampered harvesting. Despite frost damage in Norway, carrot supplies are expected to be good for most of the marketing season. In the United Kingdom, the marketable percentage of this season's crop is below average.

The bulk of Belgium's white celery has been marketed. There are large supplies of green celery which are subject to frost damage. In the United Kingdom, there was appreciable weather damage in the Fens, and up to 50 percent of the crop may be wasted. Lancashire marketings have been heavy and the supply may have been exhausted by January 1.

U.K. Nonfat Dry Milk Imports Decline Sharply

Imports of nonfat dry milk solids by the United Kingdom in the first 9 months of 1965 were 75 million pounds—33 percent less than in the comparable period of 1964. This reduction is attributed to the steadily expanding domestic production.

New Zealand, the principal supplier, accounted for approximately 67 percent of total imports; shipments from all Continental European sources were considerably smaller. There were no imports from the United States, which last year supplied 7 million pounds.

Exports of nonfat dry milk solids were up 47 percent to 9 million pounds. Among the West European countries which made larger purchases than a year ago were West Germany, which took 869,000 pounds compared with 132,000 pounds last year; the Netherlands, 470,000 pounds (2,000 pounds); and Denmark, 2 million pounds (none last year). Combined sales to Asiatic countries of 3 million pounds were 61 percent higher and included shipments to Japan totaling more than 1 million pounds. Overall exports to African countries of about 1 million pounds were half those of January-September 1964.

Imports of dry whole milk at 36 million pounds were up 3 percent and came mostly from Austria, 16 million pounds; Ireland, 7 million pounds; New Zealand, 5 million pounds; and Australia, 2 million pounds.

Exports of dry whole milk were 11 million pounds, up 11 percent despite a sharp reduction in sales to Ceylon, the principal market. In the first 9 months of 1965, shipments to Ceylon totaled 2 million pounds, 4 million pounds less than those of the corresponding months of 1964. Larger exports were made to Malaysia, 2 million pounds compared with 813,000, and Spain, 2 million as against 450,000.

Brazil Sets Support Prices for 1966 Jute Crop

December 1, 1965, Brazil established jute support prices to growers and processors for the 1966 crop in the Amazon Basin.

There are 5 types or grades of Brazilian jute—type 1 (the best grade), 3, 5, 7, and 9. Type 5 is the basic grade for the price supports. The 1966 support price to growers for type 5 jute (which can contain up to 20 percent of type 7 and 10 percent of type 9) is CR$300 per kilogram (6.2 U.S. cents per pound, converted at the free market rate of exchange of CR$2,200 per U.S. dollar). The support price to processors for type 5 jute is CR$480 per kilogram (9.9 cents per pound).

To growers, the price is on the basis of delivery at the jute processing plant; to processors, on the basis of delivery at river ports. The jute must be in bales of 200 kilograms (441 lb.) having a minimum density of 400 kilograms (882 lb.) per cubic meter.

Financing of the jute production to the growers will be on the basis of a maximum of 80 percent of the support price received by processors for type 5, or CR$384 per kilogram (7.9 cents per pound). The grower may sell his product to the government at the respective support price, which is subject to readjustment according to the loan received and the type of jute produced.

Brazil is the largest producer of raw jute in the Western Hemisphere, with 1965 output estimated at 110 million pounds. The country uses practically all of its jute for bagging its coffee and other agricultural produce going to domestic and foreign markets.

Pakistan's Exports of Jute Goods Decrease in 1964-65

Production of jute goods in Pakistan suffered a setback in 1964-65 as labor unrest put many mills out of operation. Production was cut to 289,112 long tons, compared with 330,932 in 1963-64. The resulting drop in exports of jute goods from 253,054 tons in July-June 1963-64 to 216,240 in the same period of 1964-65 was partly offset by higher export prices. Foreign exchange earnings from export sales amounted to approximately $63.5 million, compared with $65.8 million in 1963-64.

Exports of jute goods in 1964-65 to the United States totaled 31,476 tons, down 3 percent from the preceding year. Increased sales to Cuba—22,691 tons versus 7,080 in 1963-64—were offset by reduced sales to Australia, which took 25,505 tons, or slightly over half its 1963-64 purchases of 48,573 tons. Burma, Argentina, Peru, the United Kingdom and various African countries also were large importers in 1964-65.

Mill capacity in Pakistan continued to expand; over 1,100 additional looms came into operation during the season, making a total of 11,073 by the end of June 1965.

The third Five Year Plan currently calls for a total of 25,000 looms, plus 2,000 broad looms in operation by the end of June 1970.

West Pakistan is proceeding with plans to produce its own jute and establish a jute milling industry. One small mill is reportedly in operation, and the area planted to jute has been expanded to 10,000 acres.

The first quarter of the 1965-66 season has witnessed production and sales increases over the first 3 months of 1964-65. Also, there has been an increase in the spread between internal raw jute prices and export prices of jute products which has widened the jute millers' profit margin. This has offset, in some degree, the costs of the disruptions that hostilities between Pakistan and India have caused in export shipping schedules and in deliveries of spare parts and equipment for the mills.

U.S. Tobacco Exports Rise in November

U.S. exports of unmanufactured tobacco in November 1965, at 71 million pounds, were 27 percent larger than the 56 million shipped out in November 1964. The export value was $60.8 million, compared with $47.4 million.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO
[Export weight]

Kind	November		January-November		Change from 1964
	1964	1965	1964	1965	
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	43,932	55,109	340,858	299,912	−12.0
Burley	5,052	5,223	47,616	41,905	−12.0
Dark-fired Ky.-Tenn.	1,701	2,740	17,243	18,188	+5.5
Va. Fire-cured [1]	386	662	4,410	6,022	+36.6
Maryland	1,263	1,133	10,782	9,570	−11.2
Green River	107	56	775	570	−26.5
One Sucker	9	279	157	891	+467.5
Black Fat	347	147	3,074	3,278	+6.6
Cigar wrapper	234	351	5,074	3,736	−26.4
Cigar binder	60	68	1,422	2,323	+63.4
Cigar filler	27	10	452	657	+45.4
Other	2,963	5,495	12,685	18,735	+47.7
Total	56,081	71,273	444,548	405,787	−8.7
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Percent*
Declared value	47.4	60.8	356.0	327.7	−7.9

[1] Includes sun-cured.
Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS

Kind	November		January-November		Change from 1964
	1964	1965	1964	1965	
Cigars and cheroots					*Percent*
1,000 pieces	4,535	3,630	41,434	50,533	+22.0
Cigarettes					
Million pieces	2,042	1,701	22,301	20,762	−6.9
Chewing and snuff					
1,000 pounds	34	53	379	335	−11.6
Smoking tobacco in pkgs.					
1,000 pounds	156	193	1,302	1,024	−21.4
Smoking tobacco in bulk					
1,000 pounds	1,001	2,009	9,377	11,014	+17.5
Total declared value					
Million dollars	10.8	10.2	115.3	109.4	−5.1

Bureau of the Census.

Flue-cured exports in November 1965 were 55.1 million pounds—up about 26 percent from the 43.9 million shipped out that month the year before. Burley exports, at 5.2 million, were up slightly from 5.1 million.

Exports of Kentucky-Tennessee fire-cured and Virginia fire-cured were larger than in November 1964, while those of Maryland leaf were down a little.

Total exports for the first 11 months of 1965 were 405.8 million pounds—down 8.7 percent from those during the same period in 1964.

Exports of tobacco products in November 1965 were valued at $10.2 million, compared with $10.8 million the previous November. For the first 11 months of 1965 the total value of all tobacco product exports was $109.4 million—down 5.1 percent from the previous year.

U.S. Cotton Exports for November Announced

U.S. cotton exports in November amounted to 370,000 running bales, slightly below the 388,000 bales exported in November 1964. However, in the first 4 months (August-November) of the current year, exports were 1,018,000 bales, 4 percent above exports in the same period of 1964-65.

U.S. COTTON EXPORTS BY DESTINATION
[Running bales]

Destination	Year beginning August 1				
	Average 1955-59	1963	1964	Aug.-Nov. 1964	Aug.-Nov. 1965
	1,000 bales	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*
Austria	33	23	11	3	1
Belgium-Luxembourg	160	176	80	30	24
Bulgaria	0	19	0	0	0
Denmark	17	16	6	2	1
Finland	22	10	11	2	2
France	360	380	184	74	41
Germany, West	475	401	217	95	41
Hungary	0	18	0	0	0
Italy	416	442	260	101	34
Netherlands	124	127	65	11	6
Norway	10	14	13	4	4
Poland & Danzig	85	132	67	40	14
Portugal	28	35	22	5	3
Spain	171	14	28	1	3
Sweden	75	88	58	19	27
Switzerland	64	95	66	31	14
United Kingdom	525	286	153	39	46
Yugoslavia	108	78	109	42	54
Other Europe	17	20	10	5	5
Total Europe	2,690	2,374	1,360	504	320
Australia	54	91	60	18	11
Canada	217	448	390	79	98
Chile	35	2	1	(1)	(1)
Colombia	33	14	1	0	24
Cuba	27	0	0	0	0
Ethiopia	4	9	4	0	5
Hong Kong	134	187	150	9	39
India	184	314	243	18	16
Indonesia	30	21	47	22	0
Iraq	0	20	0	0	0
Israel	16	26	23	5	3
Japan	1,154	1,301	990	144	225
Korea, Rep. of	205	313	261	84	113
Morocco	10	15	12	5	3
Pakistan	14	8	9	0	1
Philippines	64	140	75	19	22
South Africa	26	37	43	13	12
Taiwan (Formosa)	153	189	203	39	51
Thailand	4	39	55	4	24
Uruguay	15	(1)	0	0	0
Venezuela	2	12	6	2	3
Vietnam[2]	2	75	63	7	20
Other countries	27	27	64	10	28
Total	5,100	5,662	4,060	982	1,018

[1] Less than 500 bales. [2] Indochina prior to 1958. Includes Laos and Cambodia.

Peru's 1965-66 Cotton Crop Estimated Lower

The 1966 (August-July) cotton crop in Peru is now estimated at 575,000 bales (480 lb. net), 8 percent below

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the 625,000-bale crops produced in both 1963-64 and 1964-65. The smaller crop is largely attributed to unfavorable weather and insect attacks in the Piura Valley, which cut Pima-Karnak production sharply.

The 1965-66 long and extra long staple production is placed at 175,000 bales, compared with 225,000 bales in 1964-65. The 1965-66 Tanguis crop is now growing under generally favorable weather conditions; however, acreage is down somewhat from a year ago because of rising production costs, declining prices to growers, and last season's unfavorable weather. Tanguis production is forecast at 400,000 bales, the same as in 1964-65.

Prices for Peruvian Tanguis grade 3 were about 34 U.S. cents per pound, c.i.f. Liverpool, on December 2, compared with about 38 cents a year earlier. Pima #1 on November 25 was offered at 42.06 cents at Liverpool, compared with 46.44 cents a year earlier.

Exports of cotton (all types) from Peru during the 1964-65 season (August-July) totaled 468,000 bales, compared with 510,000 in 1963-64. Exports to principal destinations in 1964-65, in thousands of bales and with comparable 1963-64 figures in parentheses, were Argentina 75 (34), West Germany 51 (73), Chile 50 (43), United Kingdom 42 (59), Belgium 40 (50), the Netherlands 32 (37), Japan 31 (44), Venezuela 21 (19), India 20 (15), the United States 20 (17), France 17 (33), Switzerland 14 (25), and Italy 13 (14).

Turkey Exports More Tobacco

Turkey's exports of unmanufactured tobacco during the first 9 months of 1965 totaled 73 million pounds, compared with 53 million for the same period last year.

Principal markets for Turkey's tobacco exports during January-September included the United States, 46 million pounds; West Germany, 3.6 million; East Germany, 3.5 million; Poland, 3.5 million; and Hungary, 2.2 million.

U.S. Trade Fair Schedule for 1966

(Continued from page 12)

Vienna International Fall Fair, Vienna. September 11-18.

U.S. exporters and food companies will show their products in this potentially important market for U.S. institutionally packaged foods. The U.S. exhibit, which will have a trade area, is expected to draw Austrian resort and hotel owners in particular since Austria's booming tourist trade has upped the demand for U.S. food products.

International Exhibition of Groceries and Fine Foods (IKOFA), Munich. September 16-25.

A feature of U.S. participation in IKOFA, oldest and best known fair in Germany, will be fresh fruits and vegetables to be flown in daily from the United States. This promotion is particularly timely since lower air freight rates, effective in January, are expected to increase exports to West Germany, already top European buyer for fresh U.S. produce. A trade area will be featured in the 16,000-square-foot U.S. exhibit.

Some 500 exhibitors from 27 countries participated in the 1964 IKOFA, with crowds topping 240,000.

Salon International de l'Alimentation (SIAL), Paris. November 13-21.

The United States will be one of 30 countries expected to participate in SIAL, held for the first time in 1964.

American food products will be displayed to public and trade in some 8,500 square feet of space in the giant, modernistic exhibition hall. A new feature this year will be a special area reserved for members of the trade.